

INTERVIEW VINEET NAYAR

'The only way for HCL to grow is by eating somebody else's lunch'



Vivek Sinha

■ vivek.sinha@hindustantimes.com

As the macro-economic situation continues to be grim across Europe and companies are paring down IT budgets, Vineet Nayar, vice chairman and CEO of HCL Technologies told *HT* that he sees growth prospects in bagging existing deals that come up for renewal. Excerpts:

How would you compare the current situation with 2008?

I feel a twister (storm) is in the making. The December shut-down — number of companies shutting down business in December under the garb of

holiday, health, snow etc — is back and it is larger than 2008. A large number of companies anticipate de-growth in IT budgets.

The bigger issue is, we were depending on a rational reaction to this storm, but if it is not logical then a twister does get formed.

But similar things happened after Lehman Brothers collapsed in 2008 as well...

This time is different. From October 2007 till July 2008, there was investment of millions of dollars in new IT licences. And this brought growth for the last two years.

Now, in absence of new soft-

ware licences one could see from 2010 onwards a slowdown in enterprise applications and in new roll outs. The point often missed is that by September 2008 there already were software licences purchased. But not this time. I feel the next 24 months are going to be bad for new projects.

So where does HCL Tech stand in all this?

We are clear about two things: one, there will be de-growth in IT budgets; two, transformation budgets are going to be frozen for some time. The only way for HCL to grow is by eating somebody else's lunch.

» CONTINUED ON PAGE 24

HCL GROWTH...

CONTINUED FROM PAGE 13

So we have to participate aggressively in total IT outsourcing deals that are coming up for renewal and win a significant part of that.

Will you be more aggressive in acquisitions?

We have the suitors, we have targets but we are not convinced about the timing. I plan to acquire for capability and it has to be Europe dominated. So I need to ask what is going to happen to Europe and what will be the demand for that capability. I feel we are still a few months away in answering those questions. We are still in active talks but not willing to go further. This may not be the right time to acquire.

Tell us about your overseas hiring plans?

We will create 10,000 new jobs by 2015 in US and Europe. At HCL it will be our endeavour to continue creating jobs for the locals in the market we operate.